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AS AT NOVEMBER 30, 2006

November 2006 highlights

- The budgetary balance for November 2006 indicates that revenue is running $497 million behind expenditure. For the same period last year, the shortfall was $97 million.
  - — The difference compared to last year is attributable, in particular, to a change in the payments timetable for transfers to the health network that resulted in an increase in program spending of $253 million.
- Budgetary revenue amounts to $4.3 billion, an increase of $102 million (2.4%) compared to last year.
- Taking into account the fact that transfers to the health network have been moved forward, program spending is up by $454 million compared to last year.
- Debt service amounts to $586 million, up $31 million (5.6%) compared to November 2005.

SUMMARY OF CONSOLIDATED BUDGETARY TRANSACTIONS
(millions of dollars) **(Unaudited data)**

	November		April to November		Update on Québec's Economic and Financial Situation	
	2005 [1]	2006	2005-2006 [1]	2006-2007	2006-2007	Growth [2] %
Budgetary transactions of the Consolidated Revenue Fund						
Own-source revenue	3 427	3 413	28 503	30 384	47 450	3.7
Federal transfers	814	930	6 479	7 286	10 913	9.5
Budgetary revenue	**4 241**	**4 343**	**34 982**	**37 670**	**58 363**	**4.8**
Program spending	- 3 813	- 4 267	- 32 805	- 34 587	- 51 174	3.9
Debt service	- 555	- 586	- 4 562	- 4 573	- 7 205	4.8
Budgetary expendidure	**- 4 368**	**- 4 853**	**- 37 367**	**- 39 160**	**- 58 379**	**4.1**
Net results of consolidated organizations	**30**	**13**	**359**	**159**	**37**	—
Consolidated budgetary balance for the purposes of the Balanced Budget Act	**- 97**	**- 497**	**- 2 026**	**- 1 331**	**21**	—
Net results of the Generations Fund [3]	—	—	—	—	**579**	—
Consolidated budgetary balance	**- 97**	**- 497**	**- 2 026**	**- 1 331**	**600**	—

1 Monthly allocation of financial transactions based on best available data and estimates.
2 According to the Update on Québec's Economic and Financial Situation tabled on October 24, 2006.
3 The Generations Fund began operations January 1, 2007.

Cumulative results as at November 30, 2006

Budgetary balance

- For the period from April to November 2006, consistent with the historical trend, revenue is running $1.3 million behind expenditure.
  - This shortfall will be made up by the end of fiscal year 2006-2007.
- Nonetheless, this is an improvement of $695 million compared to the results for the same period last year. This improvement is attributable chiefly to an exceptional gain in June 2006 from Hydro-Québec's sale of its interest in Transelec Chile that will enable $500 million to be deposited in the Generations Fund.

Budgetary revenue

- Since the beginning of the year, budgetary revenue amounts to $37.7 billion, an increase of $2.7 billion (7.7%) compared to last year.
- Own-source revenue stands at $30.4 billion, an increase of $1.9 billion (6.6%). Apart from Hydro-Québec's exceptional gain, this improvement results from increased revenue from personal income tax ($878 million) attributable, in particular, to the good performance of the labour market and the introduction of the Child Assistance measure.
- Federal transfers amount to $7.3 billion for the first eight months of the current fiscal year, an increase of 12.5% over the same period in 2005.

Budgetary expenditure

- As at November 30, 2006, budgetary expenditure totals $39.2 billion.
- Program spending is up by $1.8 billion (5.4%) compared to the same period last year. The most significant changes are in the health ($1.1 billion) and education ($422 million) sectors.
- Debt service amounts to $4.6 billion, comparable to last year's amount.

Net financial requirements

- Despite the $695-million improvement in the budgetary balance, net financial requirements are up $318 million. This is attributable, in particular, to the fact that Hydro-Québec does not pay its dividend to the government until the end of the fiscal year.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS

(millions of dollars) **(Unaudited data)**

	November			April to November		
	2005 [1]	2006	Changes	2005-2006 [1]	2006-2007	Changes
Budgetary transactions of the Consolidated Revenue Fund						
Own-source revenue	3 427	3 413	- 14	28 503	30 384	1 881
Federal transfers	814	930	116	6 479	7 286	807
Budgetary revenue	**4 241**	**4 343**	**102**	**34 982**	**37 670**	**2 688**
Program spending	- 3 813	- 4 267	- 454	- 32 805	- 34 587	- 1 782
Debt service	- 555	- 586	- 31	- 4 562	- 4 573	- 11
Budgetary expendidure	**- 4 368**	**- 4 853**	**- 485**	**- 37 367**	**- 39 160**	**- 1 793**
Net results of consolidated organizations	**30**	**13**	**- 17**	**359**	**159**	**- 200**
Consolidated budgetary balance	**- 97**	**- 497**	**- 400**	**- 2 026**	**- 1 331**	**695**
Consolidated non-budgetary surplus (requirements)	224	218	- 6	- 995	- 2 008	- 1 013
Consolidated net financial surplus (requirements)	**127**	**- 279**	**- 406**	**- 3 021**	**- 3 339**	**- 318**

1 Monthly allocation of financial transactions based on best available data and estimates.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

CONSOLIDATED REVENUE FUND REVENUE

(millions of dollars) **(Unaudited data)**

	November			April to November		
Revenue by source	**2005**	**2006**	**Changes %**	**2005-2006**	**2006-2007**	**Changes %**
Own-source revenue excluding government enterprises						
Income and property taxes						
Personal income tax	1 204	1 266	5.1	10 108	10 986	8.7
Contributions to Health Services Fund	371	388	4.6	3 331	3 373	1.3
Corporate taxes	348	290	- 16.7	2 642	2 547	- 3.6
Consumption taxes	876	915	4.5	8 224	8 345	1.5
Other sources	192	202	5.2	1 570	1 564	- 0.4
Total own-source revenue excluding government enterprises	**2 991**	**3 061**	**2.3**	**25 875**	**26 815**	**3.6**
Revenue from government enterprises	**436**	**352**	**- 19.3**	**2 628**	**3 569**	**35.8**
Total own-source revenue	**3 427**	**3 413**	**- 0.4**	**28 503**	**30 384**	**6.6**
Federal transfers						
Equalization	400	466	16.5	3 199	3 672	14.8
Health transfers	254	302	18.9	2 061	2 401	16.5
Transfers for post-secondary education and other social programs	79	87	10.1	652	693	6.3
Other programs	81	75	- 7.4	567	520	- 8.3
Total federal transfers	**814**	**930**	**14.3**	**6 479**	**7 286**	**12.5**
Budgetary revenue	**4 241**	**4 343**	**2.4**	**34 982**	**37 670**	**7.7**

CONSOLIDATED REVENUE FUND EXPENDITURE

(millions of dollars) **(Unaudited data)**

	November			April to November		
Expenditures by mission	**2005**	**2006**	**Changes %**	**2005-2006**	**2006-2007**	**Changes %**
Health and Social Services	1 588	1 981	24.7	13 803	14 907	8.0
Education and Culture	981	1 046	6.6	8 826	9 248	4.8
Economy and Environment	463	469	1.3	3 869	3 985	3.0
Support for Individuals and Families	423	421	- 0.5	3 413	3 427	0.4
Administration and Justice [1]	358	350	- 2.2	2 894	3 020	4.4
Total program spending	**3 813**	**4 267**	**11.9**	**32 805**	**34 587**	**5.4**
Debt service	**555**	**586**	**5.6**	**4 562**	**4 573**	**0.2**
Budgetary expenditure	**4 368**	**4 853**	**11.1**	**37 367**	**39 160**	**4.8**

1 The amounts set aside for pay equity were reclassified to the respective missions.

For technical information concerning this monthly report, please contact Mario Albert at (418) 691-2225.
This publication is also available on the web at: www.finances.gouv.qc.ca.